IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:	§	
	§	
ELITE BAYWOOD, LP	§	**CASE NO. 10-31760-H1-11**
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	§	
	§	
	§	
ARTHUR SQUARE APARTMENTS, LP	§	**CASE NO. 10-31774-H2-11**
	§	
	§	**(Chapter 11)**
	§	
	§	
DEBTORS	§	**Joint Administration Requested**

MOTION FOR EMERGENCY HEARINGS (ON OR BEFORE MARCH 12, 2010) ON DEBTORS' REQUESTS FOR (1) JOINT ADMINISTRATION [DOCKET NO. 3], (2) APPROVAL OF INTERIM AND FINAL USE OF CASH COLLATERAL [DOCKET NO. 6], (3) AN EXTENSION OF THE DEADLINES TO FILE SCHEDULES AND STATEMENTS OF FINANCIAL AFFAIRS [DOCKET NO. 9], AND (4) PERMISSION TO PAY PREPETITION WAGES [DOCKET NO. 10]

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THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 20 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEYS.

****EMERGENCY CONSIDERATION OF THIS MOTION IS BEING REQUESTED.**
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TO THE HONORABLE UNITED STATES BANKRUPTCY COURT:

Elite Baywood, LP and Arthur Square Apartments, LP (collectively “Debtors"), seek emergency hearings on pending motions. The grounds for the relief requested are:

Background

1. These chapter 11 bankruptcy cases were each filed on March 1, 2010 under chapter 11 of title 11 of the Bankruptcy Code, 11 U.S.C. §§101 *et seq*. (the "Bankruptcy Code"). The Debtors continue to operate their businesses and manage property as a debtors-in-possession.

2. Debtor Elite Baywood, LP owns and operates an 81 unit residential apartment complex known as the Baywood Arms Apartments in Baytown, Texas. As of petition date, the occupancy rate is approximately 65%. Twenty-six of the units are in need of rehabilitation in the form of new carpet, tile, sheetrock, paint, appliances, and certain other “make ready” parts such as new light and bathroom fixtures.

3. Debtor Arthur Square Apartments, LP owns and operates a 226 unit residential apartment complex known as the Poole Avenue Apartment Homes in Port Arthur, Texas. As of petition date, the occupancy rate is approximately 65%. Ninety-two of the units are in need rehabilitation in the form of new carpet, tile, sheetrock, paint, appliances, and certain other “make ready” parts such as new light and bathroom fixtures.

4. The same individual is president of each Debtor’s general partner.

5. Each bankruptcy case was filed to avoid foreclosure by First National Bank on Debtors’ respective properties.

Relief Sought

The Debtors request that on or before Friday, March 12, 2010, the Court set emergency hearings on Debtors' requests for:

(1) joint administration [docket no. 3],

(2) approval of Interim and Final Use of Cash Collateral [docket no. 6],

(3) an extension of the deadlines to file schedules and statements of financial affairs [docket no. 9], and

(4) permission to pay prepetition wages [docket no. 10].

Circumstances Justifying Emergency Hearings on or Before Friday March 12, 2010

6. March 11th "initial debtor conferences." The Office of the U.S. Trustee has scheduled "initial debtor conferences" for Thursday, March 11th at 2 p.m.

7. March 12th status conference. This Court is set to conduct a March 12th general status conference in connection with Debtor Elite Baywood's chapter 11 case.

8. Meanwhile, the Debtors' principals are located in Southern California. Debtors, naturally, desire to minimize travel expense incurred by arranging, to the extent this Court's calendar allows, for hearings to occur on or about the same date that Debtors will be appearing, through their principal, at the status conference and at the "initial debtor conferences."

9. Request for joint administration. It would be a waste of judicial resources to conduct separate hearings in separate Courts on separate motions that seek almost identical relief sought by affiliated companies, who are in the same line of business, who are run by the same principals, who share the same bankruptcy counsel, and who share the same major secured lender. Additionally, it would be a waste of judicial resources for one Court to conduct the

preliminary cash collateral hearing and another court to conduct the hearing on final cash collateral.

10. Cash collateral. The Debtors have an immediate need to use cash collateral, including cash proceeds, to continue the operation of their businesses. Without such funds, the Debtors will not be able to pay costs and expenses, including, but not limited to, wages, salaries, rent, professional fees, general and administrative operating expenses, in the ordinary course of the Debtors' business.

11. Schedules and statements of financial affairs. First, when it became apparent to Debtors that no negotiated avoidance of foreclosure would be reached, there was too little time left before the bankruptcy filings to fully gather the information necessary to produce good faith, complete, and accurate schedules and statements of affairs. Second, since filing the bankruptcy cases, Debtors' principals have diverted much of their attention to gathering and organizing information in support of the motions that are the subject of this hearing request, attention that would otherwise have be spent on preparation of schedules and statements of financial affairs. Third, Debtors' counsel's lack of proximity to the Debtors' principals is a cause of delay.

12. Prepetition wages. Left unpaid, Debtors' employees will likely abandon the Debtors for other employers and deprive the Debtors of a genuine opportunity at a "fresh start."

Prayer

The Debtors pray that on or before Friday March 12, 2010 the Court set emergency hearings on Debtors' requests for:

(1) joint administration [docket no. 3],

(2) approval of interim and final use of cash collateral [docket no. 6],

(3) an extension of the deadlines to file schedules and statements of financial affairs [docket no. 9], and

(4) permission to pay prepetition wages [docket no. 10].

DATED: March 7, 2010

Respectfully submitted,

HOOVER SLOVACEK LLP

/s/ Edward L. Rothberg
/s/ Melissa A. Haselden
/s/ Annie E. Catmull

By: ______________________________________

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PROPOSED ATTORNEYS FOR DEBTORS